



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERM-P

09 MAR 1998

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Regional Business Centers—Operating Guidance

1. At the 5 February 1998 Board of Directors Meeting, I approved the operation of each MSC as a Regional Business Center. This is a dramatic change in business style and organizational culture. My intent is that by operating as a single business entity, each MSC will optimize its resources, increase efficiency and effectiveness in each district, and ensure consistent business and charging practices in all districts.
2. While I expect the regional business centers to reflect some differences, there are specific guidelines you are to follow. You are to establish a regional management board, and it will have the same name in every MSC: Regional Management Board (RMB). The membership is to be the same in every MSC:

Division Staff:	Director of Programs Management	(Co-chair)
	Director of Resource Management	(Co-chair)
	Director of Engineering & Technical Serv	(Member)
District Staff:	Deputy District Engineer for Project Mgmt	(Member)
	Chief of Resource Management	(Member)

The MSC Commander can add participants on an ad hoc basis, as required. MSCs will implement regional business center initiatives within existing resources.

3. I expect the RMB to take a proactive approach to the regional program, workload, and resource utilization. This begins with analysis of the district operating budgets to determine whether workload and income projections are realistic, projected FTE are affordable, budgeting and accounting practices are consistent, spending patterns are prudent, and performance targets will be met. Each year the board will provide operating budget guidance in terms of limitations, targets, initiatives, etc. The board will recommend approval of district operating budgets to the MSC Commander.
4. The Regional Business Center concept will evolve as we gain experience. In subsequent years I expect the MSCs to identify optimal business practices for the region, most efficient organizations for each district, and initiatives to optimize the use of regional resources. Generally, project managers will reside at their geographical districts. Should your regionalizing initiatives conflict with existing guidance, come in with your request for exception to guidance. As regions mature in consistency and

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efficiency, gaps in district costs and pricing within the region will narrow. This sets the stage for testing the feasibility and benefits of standardizing prices as well as of regionalizing services.

5. Regional Business Center is the right direction for USACE, and this is the right time. We will increase our teamwork, efficiency, and consistency in business practices. We will deliver a quality timely product to our customers at the most cost-effective price possible. I look to the MSCs for the drive and initiative to make Regional Business Centers a USACE reality. Move out and report on your progress at the next Board of Directors meeting. ESSAYONS!



JOE N. BALLARD
Lieutenant General, USA
Commanding